



**HOUSE OF ASSEMBLY**  
**THURSDAY 02<sup>ND</sup> MARCH 2017**  
**ELECTRICITY MARKET**

**Mr PEDERICK ( Hammond ) ( 12:03 ):** I rise to support the motion by our leader, the member for Dunstan:

That this house expresses its concern at the state of the South Australian electricity market and in particular, notes—

- (a) The state government's energy policy over the last 15 years has delivered South Australian consumers the worst outcomes in the nation;
- (b) The first ever statewide electricity blackout in Australia occurred in South Australia on 28 September 2016;
- (c) Electricity supply reliability in South Australia is the lowest in the nation;
- (d) Electricity prices in South Australia are the highest in the nation;
- (e) The impact that high household electricity prices add to cost of living pressures;
- (f) The impact that high business electricity prices add to unemployment pressures;
- (g) Unemployment in South Australia is the highest in the nation;
- (h) both the Victorian and South Australian electricity markets were privatised at similar times , yet Victorians pay the lowest electricity prices in the nation; and
- (i) the closure of the coal - fired electricity generator at Port Augusta has led to the increased importation of coal - fired electricity from Victoria.

I would like to begin by reflecting on the previous speeches from the Premier, the Minister for Energy and the Minister for Transport. Not once in that complete diatribe from the other side did we hear one answer to the energy crisis in this state. We are being told there is this great solution to the statewide blackouts, yet the state has been left in the dark by the princes and princesses of darkness on the other side of this house. It is completely outrageous that this has happened in this state. We are the laughing stock of not just the nation but internationally. Internationally, we are a laughing stock.

We have just had the Minister for Transport put up another leadership-contending speech. I do not know whether he has Jack the Knife onside, or if Jack the Knife is going to stick by Mali—the Hon. Peter Malinauskas from the other place—who is coming down here. He has managed to knife the Speaker (the member for Croydon). Mali is coming downstairs, but who is lining up alongside either the Hon. Peter Malinauskas or the member for Lee (the transport minister)? All I know is that the Premier will be looking over his shoulder.

The Hon. J.M. Rankine interjecting:

**The DEPUTY SPEAKER:** I just remind the member for Wright of the standing orders. The Attorney has something to say.

**The Hon. J.R. RAU:** This is really good, high-value stuff. It would be great if we were down at the Spiegeltent—

**The DEPUTY SPEAKER:** What is your point of order?

**The Hon. J.R. RAU:** —but it is actually not pertinent or relevant to what is in front of us today.

**The DEPUTY SPEAKER:** We are going to listen to the member for Hammond in silence, and then we will see how relevant it all is.

**Mr PEDERICK:** Let's not forget former premier Mike Rann's pledge for an interconnector back in 2002. Where did that go? We had the transport minister talking about the reason that Holden's left. The reason Holden's left was that Detroit made the decision. That is where GM make their decisions. They said it did not matter what—

Mr Picton interjecting:

**The DEPUTY SPEAKER:** The member for Kaurana is called to order.

**Mr PEDERICK:** —subsidies were forthcoming. Some people need to just look at reality. We had half an hour of speeches from the princes of darkness and we have had not one answer shown to this state. I want to go through the items in this motion:

(a) The state government's energy policy over the last 15 years has delivered South Australian consumers the worst outcomes in the nation;

It absolutely has. What has happened in this state is an utter disgrace. The lights go out and power goes out. We have some towers fall over 250 kilometres north of Adelaide, yet the lights are not even on in the member for Mount Gambier's electorate. That is outrageous. Who would ever set up a business, let alone run a state, with that sort of power capacity? It is completely outrageous—

The Hon. T.R. Kenyon interjecting:

**The DEPUTY SPEAKER:** The member for Newland is warned for the first time.

**Mr PEDERICK:** —how that could happen. I reflect on paragraph (b):

The first ever statewide electricity blackout in Australia occurred in South Australia on 28 September 2016;

People still rub their eyes in disbelief at what happened that day. It is crazy. We are supposedly a First World economy, and look at us. We are the laughing stock. I gave a speech in front of people from right around the nation in Perth in January, and the lights flickered in the room. I said that for a moment I thought I was back in South Australia, but the lights came back on, and I said, 'Sorry, I am in Perth. I am not at home, because the lights would have gone out.' I look at paragraph (c):

Electricity supply reliability in South Australia is the lowest in the nation;

Absolutely, it is the lowest in the nation. We look at the hot days we have had over summer and the hot days we are having now in autumn. People ring up my office and

ask, 'What is going to happen? It is going to be 37°. Are we going to have power or not?' These question should not be asked.

Even at Coomandook, I have had the power on since 1966. Thank God I still have the 32-volt engine room because I might have to hook up the generator. I might have to put a diesel generator in like the poor souls of this state are having to do, especially after what happened in September. People are spending tens of thousands, and some are spending over \$20,000, putting in diesel generators and petrol generators with automatic switching devices so they can at least have some power to run their generation.

If we look at electricity prices in South Australia, they are the highest in the nation. Look at your pocket NEM apps—I know you all have them. It has been in the red today. Electricity prices are definitely the highest in the nation and twice as much as they are in Victoria at times. Look at the impact that high household electricity prices add to cost of living pressures. It just goes on and on, what this government imposes on people, whether it is NRM levies or whether it is emergency services levies. People are suffering because of the high electricity prices in this state: it impacts unemployment and it impacts households, and the impact on business in this state is just disgusting.

The government seems to be completely unaware of what impact the closure of Hazelwood, which is a 1,600-megawatt coal-fired power station in Victoria, will have on this state. If they have not been listening to their constituents, they need to have a good look on the other side. I have business constituents in my electorate who have already been told that their power will go up by 150 per cent in their forward contracts? Only because Hazelwood is closing. Do you know why it has gone up? Because of the uncertainty and the unreliability of what is coming after Hazelwood.

It is because the princes and princesses of darkness have forced Port Augusta out. They have shut down a perfectly good coalmine at Leigh Creek. Alinta did have a solution that was put before the cabinet but, no, the green ideology is: let's have the windmills going. Well, we have seen how good wind turbines have been in saving this state. We saw how good Mike Rann's wind turbines were—the little mini ones that he had floating around—they were next to useless, if not useless.

Unemployment in South Australia is the highest in the nation. As I indicated, both the Victorian and South Australian electricity markets were privatised at similar times, yet Victorians pay the lowest prices in the market and we pay the highest. We have the Premier and others on that side bleating about what happened with the sale of ETSA, but what they forget to say is why that had to happen. It would have been a very tough decision in the day, but the issue was that Labor parties generally run you broke. That is essentially what they did with the State Bank disaster. They ran this state right into the ground, and things had to change to bring this state into the future. That is why hard decisions had to be made. They need to take responsibility for what happened, and that is exactly what happened.

Members interjecting:

**The DEPUTY SPEAKER:** Can I just ask the members for Newland and Chaffey to observe the standing orders. The member for Hammond is just building up for his last minute and we do want to be able to hear it.

Members interjecting:

**The DEPUTY SPEAKER:** Order! I advise the chamber that I will be protecting the member for Hammond to the very end.

**Mr PEDERICK:** Thank you, Madam Deputy Speaker. We have seen the disaster that has happened in this state. Do you know the time line? The time line is simple: since Port Augusta closed. It is as simple as that. We have had this disaster in South Australia since that over 500-megawatt coal-fired plant at Port Augusta shut down, putting hundreds of people out of work at Leigh Creek and Port Augusta. My father-in-law, Richard Abernethy, was a good, loyal employee of that coal-fired plant back in the day. He would be turning in his grave if he could see what is happening in South Australia today.

If people think energy unreliability is bad now, I can assure them, as I said in a speech late last year, that we 'haven't seen nothing yet'. We have not seen anything yet because the people on the other side of this house have no idea what is going to happen when Hazelwood shuts down at the end of this month. We have had the Premier, the energy minister, and the transport minister talk about a whole range of things, but not once today have they given a solution to this unending crisis. They need to get on and tell us what they are going to do for the sake of this state.